VZCZCXRO2701 OO RUEHBI RUEHLMC DE RUEHLM #0893/01 1730522 ZNY CCCCC ZZH O 220522Z JUN 07 FM AMEMBASSY COLOMBO TO RUEHC/SECSTATE WASHDC IMMEDIATE 6331 INFO RUEHRL/AMEMBASSY BERLIN PRIORITY 0475 RUEHKA/AMEMBASSY DHAKA PRIORITY 0229 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 7210 RUEHKT/AMEMBASSY KATHMANDU PRIORITY 5317 RUEHLO/AMEMBASSY LONDON PRIORITY 3859 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1123 RUEHNY/AMEMBASSY OSLO PRIORITY 3931 RUEHKO/AMEMBASSY TOKYO PRIORITY 3016 RUEHCG/AMCONSUL CHENNAI PRIORITY 7797 RUEHBI/AMCONSUL MUMBAI PRIORITY 5456 RUEHON/AMCONSUL TORONTO PRIORITY 0270 RUEHGV/USMISSION GENEVA PRIORITY 2149 RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY RUEHBS/USEU BRUSSELS PRIORITY RUEHLMC/MILLENNIUM CHALLENGE CORPORATION PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 COLOMBO 000893

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DEPARTMENT FOR SCA/INS MCC FOR D NASSIRY AND E BURKE

E.O. 12958: DECL: 06/14/2017 TAGS: <u>PGOV PREL PTER PHUM MOPS CE</u>

SUBJECT: SRI LANKA: PRESIDENT'S SUPPORT IN PARTY AND

GOVERNING COALITION WANING

REF: A. COLOMBO 883

¶B. COLOMBO 748 ¶C. COLOMBO 698

Classified By: Ambassador Robert O. Blake, Jr., for reasons 1.4(b,d).

(C) SUMMARY: Since Mahinda Rajapaksa was selected as the Sri Lanka Freedom Party's (SLFP) candidate for the 2005 presidential election, tensions have been building within the party. Embassy contacts tell us that several SLFP stalwarts have tired of defending the Rajapaksa government's poor performance on development and governance. Two SLFP members of parliament (MP) have withdrawn their support for the Government, and others may follow. In the absence of uncritical backing from within his own party, the President has been relying more heavily on the MPs that crossed over from the opposition in January 2007. According to Embassy contacts, the President has been urging these MPs to publicly defend his unpopular policy decisions and his military offensive against the Liberation Tigers of Tamil Eelam (LTTE), which they are reluctant to do. Former Foreign Minister Samaraweera's breakaway group of SLFP MPs may attract more followers and threaten the President's margin in Parliament, leaving him with few attractive options. For the moment, the Janatha Vimukthi Peramuna (JVP) with 38 seats is unlikely to support bringing down the Government, since the party would lose seats in an election. The President and his advisors, having gone to considerable lengths to construct his current coalition, might at some point have to call new elections, or resort to a "cohabitation agreement" with the United National Party (UNP) in order to secure a reliable working majority in Parliament. Our assessment is that in the event of military reversals and a continuing deterioration in economic conditions for the common man, the President's support is brittle and could fracture. The timing of such a development is difficult to predict. End Summary.

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- 12. (C) Since Mahinda Rajapaksa won the SLFP's nomination for the 2005 presidential election, tensions have been building within the party. Many SLFP stalwarts, loyal to former President Chandrika Kumaratunga, initially opposed his candidacy. They fell in line during the campaign, but some remained unenthusiastic. Following his election, the party rallied around him as the principal players scrambled for the choicest ministries. Gradually, this support has declined as the President's actions have strayed from his election promises. An Embassy contact in the Presidential Secretariat tells us that several SLFP stalwarts have tired of defending the Rajapaksa government's poor performance on development and governance. They also are frustrated that the President and his brothers control nearly all money and decision-making, leaving the Ministers unable to do their jobs or meet the expectations of their constituents.
- 13. (C) Ex-ministers and SLFP MPs Mangala Samaraweera and Sripathi Sooriyarachchi this week withdrew their support for the Government in Parliament (ref a). Others may soon follow, such as SLFP General Secretary Maithripala Sirisena, who has increasingly been cut out of party decision-making and who is bitter over his loss of the Irrigation and Water Management portfolio to the President's brother Chamal. Numerous sources, as well as the Sri Lankan media, have been speculating for months that former President Kumaratunga may soon return to Sri Lanka to lead this SLFP-breakaway group.

Transport Minister Remains a Key Supporter

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¶4. (C) One MP who has remained close to the President is Minister of Transport Dullas Alahapperuma. Alahapperuma returned from the U.S. in 2005 to play a key role in the President's election campaign. He helped draft the Mahinda Chintana, the President's election manifesto, and most of his election speeches. Since then, he has offered the President advice on key appointments, such as the Prime Minister and important cabinet posts. Embassy contacts say he also was behind the dismissal earlier this year of Samaraweera and Sooriyarachchi. Alahapperuma told Ambassador on June 12 that in his view, the ruling coalition is stable and the opposition does not have the strength to topple the Government. He also asserted that the President has gained the confidence of "deep Southerners," including key figures in the JVP and Jathika Hela Urumaya (JHU). He considers this an important prerequisite for resolving the ethnic conflict.

President Relying on Opposition Crossovers

- 15. (C) In the absence of reliable support from within his own party, the President has been leaning more heavily on the MPs that crossed over from the UNP in January 2007. These MPs now depend on the President for their political survival since they have, for the most part, burned their bridges to their former party. They are further indebted to the President for their new ministerial positions, their perks, and the hefty sums of money they are alleged to have received for crossing over. According to Embassy contacts, the President has been urging these MPs to publicly defend his unpopular policy decisions and his military offensive against the LTTE.
- 16. (C) However, some of the crossover MPs have not been as loyal as the President had hoped. At least one UNP defector, Edward Gunasekera from Gampaha District, crossed back over within a couple of months. Another, a Muslim MP from Ampara, is considering returning to the UNP fold.
- \P 7. (SBU) The coalition is a big umbrella. In addition to

the recent UNP defectors, it consists of 8 parties ranging from the monk-based JHU to the Ceylon Workers Congress (CWC), which represents Tamil plantation workers. It also includes two Muslim parties and a couple of small leftist parties that have been allied with the SLFP for years. These unlikely partners are held together primarily by money and perks, most of which are associated with ministerial appointments. To accommodate them all, the President has expanded the cabinet to an overwhelming 52 cabinet ministers, 35 "non-cabinet" ministers and 20 deputy ministers, making it one of the biggest in the world.

18. (C) The government has used some unorthodox methods in recruiting members for its coalition that are unlikely to reinforce its long-term stability. Sri Lankan Muslim Congress head Rauff Hakeem, who joined the Government with the UNP crossovers, told us that some of his members of Parliament representing Eastern districts had received credible, specific warnings from the Karuna faction, which is active in their area. Should they fail to cross over to the government, Karuna would prevent them from running in their districts) if necessary, by killing them. A Deputy Minister from the CWC, bemoaned the lack of policy convergence in the coalition. He said he wanted to resign, but did not dare do so: "I fear for my life." The disenchantment of these smaller parties is fertile ground for the UNP MPs seeking to destabilize the government. There are reportedly a number of small parties in talks with the UNP. However, none of them is likely to make a move unless they are sure that the attempt to topple the government will

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succeed.

- Opposition leader Ranil Wickremesinghe told us his strategy is to wait for the situation in the country to deteriorate even further. The UNP estimates that by late summer or early fall, coalition members who are disenchanted with the government will reach the breaking point. "If we wait a few more months, they will come to us, begging us to form a new government," one advisor to Wickremesinghe told us. UNP crossover and Minister of Enterprise Development G.L. Peiris told Ambassador this week that Ranil hopes to use the November budget vote to bring down the Government. However, he said he doubts the JVP will support such a move since the party stands to lose seats in a new election. UNP crossover and Minister of Public Administration Karu Jayasuriya told Ambassador on June 20 that it will not be easy to bring down the Government because there is little support, even among the opposition, for new elections. He said that if an election were held today, no party could get a working majority.
- 110. (C) Many UNP members are convinced that Wickremesinghe himself would be ill-suited to governing under President Rajapaksa, and lacks the charisma to engineer a no-confidence motion against the government. Former President Kumaratunga seems to loom large in their calculations. According to a senior SLFP minister close to Kumaratunga, the UNP plan is to have one of their backbenchers resign in favor of Kumaratunga and force Rajapaksa to govern with Kumaratunga as Prime Minister. Our interlocutor, himself "uncomfortable" with the current regime, thought there was little support for such a scheme within the SLFP, and he gave it little chance of succeeding. Ranil himself told us Kumaratunga has no plans to return right now.

COMMENT

111. (C) The incumbent coalition lacks policy coherence and generally deserves poor grades for its governance. The scenarios for replacing it strike us as unrealistic at this point, but the balance could shift fairly quickly. Our assessment is that in the event of military reversals and a continuing deterioration in economic conditions for the

common man, the President's support is brittle and could fracture. The timing of such a development is difficult to predict. The episode of the forced removals of Tamils from Colombo weakened the President's support among the moderates in his own party, who have yet to find their voice. The breakaway group of SLFP MPs may induce other wavering parties to leave the coalition, eradicating the President's slender majority in Parliament.

 $\underline{\mathbb{1}}$ 12. (C) This would leave him with limited and unappealing options. New elections would be costly and risky, since the SLFP likely would not gain enough seats for a majority on its The best chance of winning a majority through new elections would be a new partnership with the JVP, which probably would insist that they first abrogate the Cease-Fire Agreement and end the role of the Norwegian facilitators in exchange for its support. A "cohabitation" agreement with the UNP, which remains the largest single party in Parliament, is conceivable without new elections and would provide the most stable majority. It would probably be best for the country. However, UNP leader Wickremesinghe is bitter over President Rajapaksa's successful effort to induce the UNP crossovers earlier this year, which led Wickremesinghe to abrogate that SLFP-UNP memorandum of understanding. For now it does not seem that either Wickremesinghe or former President Kumaratunga is prepared to take on this role, leaving the proponents of such a

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still-hypothetical arrangement without a leader to push it forward. End comment. BLAKE